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1 UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK 2 3 RICHTONE DESIGN GROUP, LLC, 4 Plaintiff, 5 22 CV 1606 (KMK) (AEK) V. 6 CONFERENCE 7 MARY SULLIVAN KELLY, et al., 8 Defendants. 9 10 United States Courthouse White Plains, New York March 3, 2023 11 12 13 14 15 Before: THE HONORABLE ANDREW E. KRAUSE, Magistrate Judge 16 17 18 **APPEARANCES** 19 GEARHART LAW, LLC 20 Attorneys for Plaintiff DAVID POSTOLSKI 21 JAMES KLOBUCAR 22 GORDON E.R. TROY, P.C. 23 Attorneys for Defendants GORDON TROY 24 25 *Proceeding recorded via digital recording device.

THE DEPUTY CLERK: In the matter of Richtone Design
Group, LLC against Kelly, et al., docket number 22 CV 1606, the
Honorable Andrew E. Krause presiding.
Counsel, please note your appearances for the record,
beginning with plaintiff's counsel.
MR. POSTOLSKI: This is David Postolski of Gearhart
Law for plaintiff.
MR. KLOBUCAR: And James Klobucar, Gearhart Law, for
plaintiff.
THE COURT: Okay. Good morning, Mr. Postolski and
Mr. Klobucar.
MR. POSTOLSKI: Good morning.
MR. KLOBUCAR: Good morning, your Honor.
MR. TROY: Gordon Troy here for the defendant. And I
also have on the line listening in my paralegal, Lawrence
Stanley.
THE COURT: Okay. Good morning, Mr. Troy. And, I'm
sorry, your paralegal was?
MR. TROY: Lawrence Stanley.
THE COURT: Okay. Good morning, Mr. Stanley.
All right. We're here for a status conference in
this case, obviously the first appearance in this matter for
Mr. Postolski and Mr. Klobucar.
Just one administrative matter at the outset.
Mr. Klobucar, I noticed that you filed a motion for

admission pro hac vice which was granted by Judge Karas, but you should still go ahead and submit a notice of appearance on the docket because, that way, you will -- I'm not sure if you're currently receiving ECF notifications or not. I don't think there have been any since your motion was granted. But you're not currently listed in the counsel section of the docket and I think that's because you have to take the additional step of filing a notice of appearance. So if you'll do that, that will be helpful so we will be able to easily see your information if we need to reach you

MR. KLOBUCAR: Okay. Not a problem. I'll have the administrative team handle that.

THE COURT: Perfect.

All right. Well, we were last together on this case -- or Mr. Troy and I and Mr. Salta, at least, were last together on this case back in early December and obviously there have been a number of developments since then. As I noted, I was sorry to hear about Mr. Knull's health issues.

And we've now gotten to the point where we have new counsel for the plaintiffs in this matter and I want to take stock of where we are, so let me hear from both of you on that. I have reviewed all of the most recent filings on the docket again in preparation for today's conference, so no need to review those specifics, but just let me know where we are from the plaintiff's perspective.

Mr. Postolski or Mr. Klobucar.

MR. POSTOLSKI: Sure. Thank you, your Honor. This is David Postolski.

Over the last few weeks, we have been actively trying to get in touch with previous counsel. That has been very unsuccessful. His health has taken a pretty bad turn. We have also not been able to get in touch with his wife, who was somewhat of a conduit for us. Luckily, Mr. Troy has been really gracious over the last few days and has supplied us with whatever documents were produced because we couldn't get our hands on them and we couldn't -- we also couldn't get it from the attorney that was helping out previous counsel. Romeo is his first name. But we have everything -- or we should have everything by now.

We plan on meeting the March 13th deadline. We were served with the outstanding discovery requests on February 13th and so we plan on submitting our responses to defendant by March 13th. And what we would like to discuss, when it's appropriate, is we will likely be submitting our own discovery requests from defendants and possibly wanting to take a deposition of defendant. And so we just kind of wanted to kind of bring that out into the open.

THE COURT: Okay. I forget now as we sit here, and you might not know the answer to this, Mr. Postolski, so Mr. Troy may need to answer, but did the plaintiff serve

1 discovery demands at all in the earlier stages of this case? 2 MR. POSTOLSKI: Gordon, do you want to respond? 3 MR. TROY: Yes. 4 Of course they did. They submitted all kinds of 5 discovery requests and we've responded to all kinds of 6 discovery requests, your Honor. 7 THE COURT: That's what I thought. We've had multiple conferences about discovery disputes and I didn't 8 9 think they were all one way. I mean, we've had extensive 10 submissions and a couple of conferences about that. 11 MR. TROY: Yes. 12 THE COURT: And so I just wanted to --13 When you said, Mr. Postolski, that you want to submit 14 discovery requests, it momentarily confused me because it 15 sounded as though you were submitting requests for the first time when my recollection is that --16 17 MR. POSTOLSKI: No. Sorry, your Honor. 18 THE COURT: -- was not really the case. 19 So this is some sort of supplemental discovery 20 request? 21 MR. POSTOLSKI: Correct. 22 THE COURT: Okay. 23 MR. TROY: Your Honor, Gordon Troy here. 24 Because we were kind of like in this limbo land, we 25 held off on -- and coupled with the fact that we did not want

to totally inundate new counsel in the case.

THE COURT: Sure.

MR. TROY: We have additional documents responsive to the previous discovery requests that I was planning on trying to get out, you know, within the next week or so to plaintiff's counsel. I just have to get them organized.

THE COURT: Okay. Well, that's helpful. And maybe it will obviate the need for some of the additional demands they are intending to serve. Maybe not. I guess we'll find out. But you'll plan to get those out. We can set some deadlines for all of these things to make sure we're on track to move the case forward.

What else should I understand from your client's perspective, Mr. Troy?

MR. TROY: Well, first of all, plaintiff's counsel didn't mention that. As per your direction and what we would have done in any event is we did hold a conference last week, I believe it was Wednesday, to go over any issues that may be outstanding and I honestly am unaware of any issues from the plaintiff's side, you know, with regard to discovery.

We have still outstanding -- and if you see in my letter to -- that was filed at ECF 53, you know, we're still waiting on the service of the answers to the resubmitted discovery requests as per our last hearing and the subsequent meet and confer that was agreed to by Mr. Salta and, you know,

that was served back on December 16th as well as the additional discovery that we submitted on February 13th. So that's what we have outstanding.

I'm actually -- this is the first I've heard that, all of a sudden, we need to be taking some more depositions in this case. Frankly, I think this case is going to be decided on the paperwork. I mean, we had had discussions with prior counsel and they were pretty indicative of the fact that they didn't see a need for taking anyone's individual discovery. And I think that we're way past reopening discovery. I think we just need to finish what is outstanding so that we can get to the point where we can then resubmit our premotion letter to the Judge, to Judge Karas, for filing motions for summary judgment.

THE COURT: Okay. Well, I mean, first of all, it's not really reopening discovery because discovery has never closed. I mean, discovery was stayed for a period of time and then it was — the stay was lifted and an extension request was filed. So, I mean, I understand that prior counsel, for whatever reason, was not contemplating taking a deposition, but there is new counsel and so there may be other reasons why there have been strategic choices to potentially consider that deposition based on the discovery that's taken place so far. That's not uncommon. And not only when new counsel enters the case, but as the discovery progresses, it may change the

circumstances in terms of what's necessary from one party's perspective or the other.

The point is, though, that it needs to be done expeditiously to get to the end and that's I think what I attempted to communicate in my last order, that we would be moving forward with things to get everything resolved as quickly and efficiently as possible because a considerable amount of work had been done in this case prior to the most recent interruption.

So I understand that plaintiffs are working on responses to the February 13th demands, which will be timely if served in mid-March. That's fine.

Mr. Postolski, what about the responses to the reserved December demands which have been the subject of extensive discussion with the Court?

MR. POSTOLSKI: Yes. We plan to serve our responses by -- to serve all responses by March 13.

THE COURT: Okay.

MR. POSTOLSKI: So, Judge, we are trying to move -we also want to move pretty quickly, but, at the same time, you
know, we just want to make sure that we -- that if we have to
take a deposition based on what we were kind of uncovering, we
just want some of that time to actually do that. We're not per
se asking for months, but just a few weeks if possible.

THE COURT: Understood.

And then in terms of the supplemental discovery demands that you intend to serve, what --

MR. POSTOLSKI: Right.

THE COURT: -- do you intend to cover there? Sounds like Mr. Troy is not really familiar with what you are looking to explore.

MR. POSTOLSKI: Yes. So we are working out some of those discovery requests now and we should probably have them by March 10. I don't know if --

James, do you want to maybe talk about some -- I don't know if we want to talk about specifics, but anything that we could -- that we're probably going to be including in that?

MR. KLOBUCAR: I mean, I would just add I think your Honor brought up a good point earlier regarding Mr. Troy's sending of the additional documents that are owed. I mean, it's possible that could remove the need for or further limit some of the initially contemplated discovery. So I would say if we can — if we can get those and then, you know, we can evaluate from our side in terms of, you know, what further may be needed.

THE COURT: Okay.

Mr. Troy, you said you thought you would be able to have those in a relatively short amount of time. Let's put a time on it. I'm not looking to make you do it today, but when

1 do you think you can commit to having the additional documents? 2 Next Friday. MR. TROY: THE COURT: Okay. So we'll say March 10th. 3 4 You know, when the case went into hiatus, MR. TROY: 5 so to speak, we just kind of stopped work. I just need to kind 6 of reengage because it just didn't make any sense for me to do 7 anything. 8 THE COURT: I completely understand. Discovery was 9 stayed for a period of time --10 MR. TROY: Yes. THE COURT: -- and now it's reopened. A week is 11 12 perfectly reasonable. I understand. 13 MR. TROY: Yes. And I just want to also -- pardon 14 I didn't mean to interrupt. me. 15 We have actually gone out of our way to respond to 16 all of plaintiff's discovery requests in the broadest possible 17 sense with the information that we can provide and have not taken the view, as many in litigation do, the narrowest 18 viewpoint because we felt that it's more important to just be 19 20 as forthcoming with as much stuff as possible in connection 21 with this case because this case seems to warrant it. 22 So I'm not quite sure what plaintiff's additional or 23 supplemental discovery demands may be, but if there's something 24 that's even encompassed in anything that's already been

delivered that we haven't delivered, you know, that has been

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requested that we haven't delivered, I mean, I'm all ears.

Just say, hey, what about this or what about that. I mean, we don't need to then push this thing out a whole 'nother 30 days unnecessarily.

think, what exactly that looks like and, you know, to the extent any supplemental demands can be streamlined based on your forthcoming production on March 10th, then that would be obviously an efficient way to go about things, also. So, you know, once you receive those demands, you obviously are in a position to control how much time you take to respond to them. You'll have the 30 -- the rules provide 30 days as long as that's consistent with the scheduling order. And if you want to respond to them in seven days, then obviously things can move faster. But I'm not going to hold you to that until you see what the demands are just in case they turn out to be more elaborate or require a different approach than you've taken up until now.

Can somebody point me to -- I tried to find it, but I was having difficulty. Can somebody point me to a document or a minute entry that actually sets forth the current schedule?

MR. TROY: Boy. Yes.

THE COURT: It shouldn't be a hard question.

MR. TROY: It changed partially. Yes. Let me just -- if you bear with me for a moment, let me jump into my

ECF folder, because my recollection was that we had the schedule set and then -- which was originally supposed to expire back in November and then we had -- and if you remember, there was a temporary stay on discovery back then based upon plaintiff's failure to answer to our discovery requests, which we got resolved, and then -- so --

MR. POSTOLSKI: It looks like it might be docket entry 17. I think that's the last one. Correct me if I'm wrong, Gordon.

MR. TROY: No, no. It's subsequent.

THE COURT: Definitely 33 is the one that I think may be the most recent. That's the deadline. I mean, I think that's the one that we're talking about. It says that --

MR. TROY: Yes.

THE COURT: -- discovery as to defendants' third counterclaim, which, of course, was the subject of much discussion because of the breadth of the counterclaim, that was what was stayed. The deadline for completion of all other discovery was extended to January 31st, 2023 by Judge Karas, but then when the parties -- my recollection from our conference in December, Mr. Troy, is the parties had appeared before Judge Karas shortly before you appeared before me and, at that premotion conference with Judge Karas, which was for plaintiff's contemplated motion to dismiss the third counterclaim, Judge Karas and you all agreed that it would be

best to just push through, finish discovery and address it all in the summary judgment as opposed to addressing it piecemeal through a motion to dismiss.

MR. TROY: As imperfect as we humans are, that is an exact recollection of my recollection.

THE COURT: Okay. Fair enough. I mean, you were there. I'm just repeating, I think, what you probably told me. Now we're having just a confirmation by us, probably, but that's okay.

So this is the document that includes the discovery deadline of January 31st, which was referenced in one of the letters that was submitted recently. January 31st. So now I am glad we have located that and sort of confirmed where we are.

When I issued my most recent order in connection with the plaintiff's application to extend discovery by 60 days, I indicated that that 60 days would be measured from February 13th. So I wasn't, at that time, ruling on whether the 60 days would be granted. Obviously Mr. Troy had objected to that. But I think that, in light of where things stand, both because we have this additional supplemental production coming within a week and there may be some further follow-up on discovery from the plaintiff after that, a possibility even of a deposition, what I am going to do is I am going to grant the extension -- well, this now gets into a slightly different problem, which

Mr. Troy is familiar with because we've discussed it in prior conferences, but let me go back to the first principle in a case that is referred to me for general pretrial supervision by Judge Karas, which is that if you take a look back at Judge Karas' original scheduling order in the case, you'll see that his original scheduling order contains a provision that states that to the extent the parties are seeking extensions of the overall deadline for completion of discovery, those extension requests have to be directed to Judge Karas.

Judge Karas and I were in touch about that in connection with the letter that was filed by Mr. Salta seeking the stay because that essentially -- it was filed with a letter motion for an extension of time to complete discovery, but I interpreted it as really a motion to stay, discussed it with Judge Karas and he agreed, and so I granted that stay.

I think here that there will not be any problem with my simply setting the discovery deadline at April 14th. I don't want to make you go through the process of writing to Judge Karas to do that. I think it's inefficient and I don't anticipate that he would have any concern. But I will follow up with him myself after this conference just to let him know so that we don't run into a problem down the line where he says I never granted that extension, why was it extended.

I think, again, in connection with the stay and now the lifting of the stay now that counsel have appeared on

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behalf of plaintiff, I think it all falls within the ambit of the stay and the resetting of deadlines as opposed to an extension, which would have to go to Judge Karas.

So to minimize administrative burden on the parties, I am going to just set the deadline for completion of discovery at April 14th, which is 60 days from the original request in February. I do recognize the reasons for Mr. Troy's objections, but here we are at March 3rd. I think six weeks is certainly enough time to accomplish what needs to be accomplished, especially given Mr. Troy's comments about being able to respond hopefully quickly to whatever new discovery requests may come in from the plaintiff.

So if we have Mr. Troy's supplemental production on behalf of the defendants on March 10th, can we say,
Mr. Postolski and Mr. Klobucar, that you can get any necessary discovery demands out to Mr. Troy, any supplemental demands that you still feel you need to serve, by one week later, March 17th?

MR. POSTOLSKI: Yes. That works.

James, would you agree? That works?

THE COURT: I'm sorry. Was that a yes, Mr. Klobucar?

MR. KLOBUCAR: Yes.

MR. POSTOLSKI: Yes.

MR. KLOBUCAR: Yes, it's a yes.

THE COURT: I'm sorry. I just didn't hear you.

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Look, Mr. Troy, do you have a sense of the volume of what you intend to produce on the 10th? Are we talking about tens of pages, hundreds of pages, thousands of pages? Ballpark. MR. TROY: It's more than tens. You know, I think it's some -- I have -- my problem is I haven't fully organized it. THE COURT: I'm not going to hold you to it. reason I'm asking is just because, obviously, in order for Mr. Postolski and Mr. Klobucar to be able to receive those, absorb the meaning and significance of them and then adjust their discovery demands accordingly, I'm intending to give them a week to do that, but if you're producing tens of thousands of pages, then that's inadequate. MR. TROY: No, no, no, no. We're talking hundreds tops. THE COURT: Okay. Okay. So that seems like it's probably --MR. TROY: At least that's what it looks like --THE COURT: All right. MR. TROY: -- from my last look at what we -- what was in the process of being gathered. THE COURT: If it turns out that it's a larger volume and/or it's something particularly complicated, Mr. Postolski

and Mr. Klobucar, and you feel you need a couple of additional

days to turn those demands around, you can write me a letter and request a couple of additional days. Hopefully that won't be necessary because, that way, we can keep moving things along, but I understand, given some of the uncertainty here, that I may see a letter from you sometime after March 10th asking for a couple more days to get those demands out.

MR. TROY: I just want to further put a point on it, your Honor, that much of it is images.

THE COURT: Right. I sort of expected that given the history of this case, but, nevertheless, we'll see what it is --

MR. TROY: Okay.

THE COURT: -- once it's produced.

And I hope and expect that any supplemental demands will still be able to go out by the 17th, but if there needs to be a very brief extension of that based on the volume of the production, Mr. Postolski and Mr. Klobucar, you'll let me know.

MR. POSTOLSKI: Okay.

THE COURT: And so that gives us an April 14th date for completion of discovery.

Look, if the demands are served on the 17th, the deadlines in the Federal Rules for responding to a Rule 34 demand would put the response date beyond March 17th. I mean beyond April 14th. The reason I'm authorizing these dates is because, Mr. Troy, you seem committed to trying to respond

sooner than that, but --

MR. TROY: We will, your Honor, respond by April 14th, if not sooner.

THE COURT: Okay. Well, okay, but here's the thing. And it may depend on the volume of the requests and it may depend on the complexity of the requests. So there may very well be a need for a further extension beyond April 14th. An application would have to get submitted to Judge Karas because to the extent the plaintiffs do want to take one or more depositions, they will want to have a complete set of discovery responses before they do that.

So I would very much like to stick to that April 14th deadline, but in order to do that, it will depend entirely on how broad the March 17th requests are and how quickly,

Mr. Troy, you can turn around your responses. Again, I'm not requiring you to turn around your responses any faster than the rules require, but I am setting this deadline in part because I recognize that you and your clients have expressed an interest in trying to get to the end here as quickly as possible. But the onus will be on you, then, if you want to keep that April 14th deadline, to respond sooner. And if you do respond say by April 1st or something along those lines -- April 1st is a weekend, so it won't be April 1st, but April 3rd, which is the Monday after April 1st, that, in my view, would still allow time to conduct a deposition before April 14th. But if you

respond on April 14th and they still want to conduct the deposition, you're going to need a little bit more time.

So I'm trying to balance everybody's interests here, including the Court's interest in moving the case forward, but there seems like at least a real possibility that we may need to extend that April 14th deadline, assuming Judge Karas would be willing to do that, which, again, given the circumstances here, I strongly suspect he would. This is a 2022 case and has been moving along reasonably well all things considered. So that is my thinking behind all of that. And I recognize that April 14th is aspirational and could very well be a deadline for completion of discovery, but there may be some wrinkles along the way which may necessitate further time.

Does that make sense to everybody?

Mr. Postolski?

MR. POSTOLSKI: Yes. I'm good. Thank you for that.

THE COURT: Okay.

Mr. Troy?

MR. TROY: It is what it is. And we'll respond to whatever other discovery requests are made. I'm just knowing that how much we've already done in this case and how we combed to try and find everything possible, possibly relevant and responsive, I'll be amazed to see what could be asked that pushes us down a rabbit hole that we haven't looked in.

THE COURT: Right. And I understand that

perspective, which you've now articulated multiple times, and because of that, there is some real possibility that once you see this request, you will be able to convincingly and quickly say there's nothing more that we haven't already given you and, that, you might be able to do in two weeks rather than 30 days.

MR. TROY: Understood. I appreciate your Honor's -- and I must say that, from the outset of working with your Honor in this case, you seem to have an excellent grasp as to the balances that are going on and I very much appreciate it.

THE COURT: Okay. Well, I appreciate that, Mr. Troy. We'll see if Mr. Postolski and Mr. Klobucar agree once they get to know me. I don't know. But it's fine if they don't agree. I mean, you know, that's the nature of being a judge. One side or both sides may not think I have a grasp of what's going on. It's okay.

In any event, all right, let's set a date for a status letter. I don't necessarily think it makes sense to set a date for a conference because, again, unless you have problems with the demands or the responses, there may not be another need for a conference, but you can provide me with a letter update and we'll take stock of where things are at that point, and if there's a need to have another conference, we'll do that.

Why don't we set the date for that at the end of the first week of April. By then, we should have a pretty good

idea of what's left and where things stand with the discovery demands. And that's still a little bit of time before the April 14th deadline for completion of discovery. So let's have a joint status letter on all of the outstanding issues by April 7th. That's a Friday. And we'll see where we are at that point, if there's a need for an additional conference or anything else in terms of my involvement in the case.

And what will happen, and I'll mention this to Mr. Postolski and Mr. Klobucar because these are some of the things I mention and I think I did in this case mention at the first conference that I had with the parties after the order of reference for general pretrial supervision was issued by Judge Karas, the case is assigned to me only for general pretrial supervision, which means that when you get to the summary judgment stage, you'll have to follow Judge Karas' individual rules with respect to submitting premotion conference letters and his requirements for briefing.

I will point out, as I did back then, that the order of reference for general pretrial supervision does include within it an order of reference for settlement purposes, so if there were interest on both sides in my conducting a settlement conference in this case, you don't need to ask Judge Karas for a separate order of reference for that. I would be certainly happy to do that upon the parties' joint request. I'm not interested in conducting a settlement conference if only one

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side thinks it will be helpful because that's not usually a good setup for successful settlement negotiations. From my understanding of the parties' positions in this case, this may not be a case that's really ripe for settlement for various reasons, but things change and perspectives change for all kinds of reasons during the course of litigation, so if I have misinterpreted that or if things have shifted in such a way that both sides think a settlement conference would be worthwhile, you can let me know that when you write to me on April 7th, as well, and if that is the case, we would get you scheduled for a settlement conference as promptly as possible so that you could potentially defer the timing of the briefing or at least move forward on a parallel track with premotion conference letters while we consider any possibility of settlement. So I think that covers everything that I wanted to address here today. The next update from you will be April 7th unless there's anything that requires my attention before then. Let me ask both sides if there's anything further that you want to address on behalf of your clients. Mr. Postolski? Mr. Klobucar? MR. POSTOLSKI: No. From our perspective, that's Thank you, your Honor. all. THE COURT: Okay. Thank you.

Mr. Troy?

MR. TROY: No, your Honor. We're fine.

I just want to point out that, in our meet and confer that we had last week, we discussed possible options for settlement. As I've always said, in any case, I'm always happy to try and settle a dispute because I always think it's in the long-term best interest of all clients.

But anyhow, I appreciate your reaffirming the understanding about what the order of reference was for new counsel in the case and I look forward to your continuing supervision and I have nothing further.

THE COURT: All right. Very good.

We'll stand adjourned for today. We'll look for your update on April 7th.

If everything does go according to plan, it's possible that this may be our last conference in the case if we don't have a settlement conference. If that is so, I'll look forward to seeing you all on another case at some point in the future, but we may very well be back together on this one for one reason or another in the weeks ahead, so until such time as that may happen, stay safe and stay healthy, everybody. Have a good weekend, we're adjourned for today. Take care.

MR. POSTOLSKI: Thank you, your Honor.

MR. TROY: Thank you, your Honor.

THE COURT: Thank you.

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